



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Financial Audit

Including the Provisions of the Single Audit Act

Department of History, Arts and Libraries

October 1, 2001 through September 30, 2002

Library of Michigan

October 1, 2000 through September 30, 2001

Report Number:
25-100-03

Released:
June 2003

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Background:

The Department of History, Arts and Libraries (HAL) was created in August 2001 by Act 63, P.A. 2001 (Sections 399.701 - 399.722 of the *Michigan Compiled Laws*). The Library of Michigan, initially created under the control of the Legislative Council, was created within HAL by Act 62, P.A. 2001, effective October 1, 2001.

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Financial Schedules:

Auditor's Report Issued

We issued an unqualified opinion on HAL's and the Library of Michigan's financial schedules.

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Internal Control Over Financial Reporting

We did not identify any material weaknesses in internal control over financial reporting. However, we did identify a reportable condition (Finding 1).

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Noncompliance Material to the Financial Schedules

We did not identify any instances of noncompliance applicable to the financial

schedules that are required to be reported under *Government Auditing Standards*.

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 3 programs as major programs and issued 3 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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Internal Control Over Major Programs

We did not report any findings related to internal control over major programs.

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Required Reporting of Noncompliance

We identified an instance of noncompliance that is required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Finding 2).

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Systems of Accounting and Internal Control:

We determined that HAL and the Library of Michigan were in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Compliance Opinion</u>
15.904	Historic Preservation Fund Grants-In-Aid	Unqualified
45.025	Promotion of the Arts - Partnership Agreements	Unqualified
45.310	State Library Program	Unqualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.state.mi.us/audgen/



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